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December 9, 2005

AGENDA ITEM 11

TO: MEMBERS OF THE FINANCE COMMITTEE

- I. SUBJECT:** Disabled Veteran Business Enterprise (DVBE)
Contract Participation, 2004-2005 Report
- II. PROGRAM:** Administration
- III. RECOMMENDATION:** Staff recommends approval of the attached DVBE Contract Participation Report. Upon approval of the report, staff will forward a copy to the Governor and Legislature, Office of Small Business and Certification Resources and the Department of Veterans Affairs.
- IV. ANALYSIS:**

In 1990, the Board adopted the provisions of Public Contract Code (PCC) sections 10115, et seq., and accordingly established annual contract participation goals of not less than 3% for disabled veteran business enterprises (DVBE). Under the PCC provisions and Military & Veterans Code 999.7, departments must report annually to the Governor and Legislature the level of participation and include the reasons for the department's inability to achieve the standards and identify remedial steps to be taken in the future.

During Fiscal Year (FY) 2004-2005 CalPERS achieved a total participation rate of 0.49%. Overall participation for services was 0.37%, and goods, 3.16%.

CalPERS exceeded the goal for purchase of services and goods under \$25,000 with 6.66% for services and 3.78% for goods with a total overall participation rate of 4.05% (combined services, goods and construction).

CalPERS overall DVBE participation is still under the established 3% DVBE goal for the procurement of goods and services. This is primarily a result of the size and nature of the contracts awarded, which includes a significant representation from Investments, Health, Legal, and Public Affairs.

Highlights for FY 2004-2005 include:

- 3.16% DVBE participation level for the procurement of goods
- 3.78% DVBE participation level for the procurement of goods under \$25,000
- 6.66% DVBE participation level for services contracts under \$25,000
- 4.05% overall DVBE participation level for all contracts under \$25,000 (combined contracting volume of all goods, services and construction activity).

The data reflects participation using CalPERS Board of Administration reporting criteria, which includes multi-year contracts that were in force during the reporting period, but were not executed in the same period. This differs from the Department of General Services (DGS) reporting criteria, which asks for “the total value, in whole dollar amounts, of all contracts with any non-governmental entity, issued or charged during the reporting period, for each category...”

V. STRATEGIC PLAN:

This agenda item is not a product of the Strategic Plan, but is a part of the regular and ongoing workload of the Diversity Outreach Program.

VI. RESULTS/COSTS:

This agenda item describes the DVBE contract participation for FY 2004-2005, and will not result in any costs.

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Deputy Executive Officer - Operations

Attachments